

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Judge Ann L. Alton

In re Mortgage Foreclosure Litigation  
Involving Lakeland Construction  
Finance, LLC, and LCF Funding I, LLC.

**Master File Number: 27-CV-09-6984**

**Administrative Order Regarding the  
Appointment of Judge Alton to Hear  
and Decide Matters Pursuant to the  
Minnesota Supreme Court Order of  
March 24, 2009**

On March 24, 2009, the Minnesota Supreme Court appointed the Honorable Ann L. Alton to hear and decide all matters, including pretrial and trial proceedings, in cases listed in Addendum A, attached to the Supreme Court Order (Supreme Court Order A09-372 and Addendum A attached hereto and incorporated herein).

Now, therefore, based on the Court file and record, the Court enters the following Administrative Order regarding the appointment of Judge Alton to hear and decide matters pursuant to the Minnesota Supreme Court Order of March 24, 2009.

**ORDER**

1. Pursuant to the Minnesota Supreme Court Order of March 24, 2009, the Honorable Ann L. Alton accepts the appointment to hear and decide matters listed in Addendum A.
2. Pursuant to the Minnesota Supreme Court Order of March 24, 2009, footnote 2, the Honorable Mary Steenson DuFresne of the Fourth Judicial District, in

consultation with the Civil Chief Judge Robert Blaeser of the Fourth Judicial District and the Honorable Ann L. Alton, hereby transfers to Judge Alton those actions listed in the Supreme Court Order Addendum B. (Addendum B attached hereto and incorporated herein).

3. Each case listed in Addendum A and Addendum B shall be venued in Hennepin County. A new file number will be assigned to each case and shall be used instead of its original file number.
4. Each case listed in Addendum A and Addendum B will be maintained as a **separate** file.
5. Each case listed in Addendum A and Addendum B shall file its pleadings bearing **both** its **separate** caption and Hennepin County file number and the **general caption** listed above and its Master File Number.
6. The Court shall conduct General Master Hearings and will issue Orders regarding the cases listed in Addendum A and Addendum B, and will hold separate hearings for any individual case as needed. All Master Orders will be published and available for viewing at [www.mncourts.gov/district/4/](http://www.mncourts.gov/district/4/).
7. All future cases involving Lakeland Construction Finance, LLC shall be filed in Hennepin County, or venue will be changed to Hennepin County if the case is filed elsewhere in the State of Minnesota, unless the parties agree and Judge Ann L. Alton orders otherwise. These cases shall also bear **both** a **separate** caption and Hennepin


County file number and the **general caption** listed above and its Master File Number.

8. The Court administrators in the affected counties shall forward their file(s) to Judge Ann L. Alton.
9. A scheduling conference is set for April 20, 2009 at 2:00 p.m. in Courtroom 1453. Motions currently scheduled to be heard at this time will still be heard.

**IT IS SO ORDERED.**

BY THE COURT

Dated: 4-3, 2009

  
\_\_\_\_\_  
Ann Leslie Alton  
Judge of District Court

STATE OF MINNESOTA

IN SUPREME COURT

A09-372

In re Mortgage Foreclosure Litigation  
Involving Lakeland Construction  
Finance, LLC, and LCF Funding I, LLC.

O R D E R

Lakeland Construction Finance, LLC (Lakeland), through its court-appointed receiver, has moved under Minn. R. Gen. Prac. 113.03 for consolidation before a single judge of sixteen mortgage foreclosure actions (listed in Addendum A) filed in five different judicial districts in Minnesota. Lakeland and LCF Funding I, LLC (LCF Funding), are both parties in each of the actions, as are additional defendants named because they may have an interest in the properties that are the subjects of the mortgages. Lakeland requests that these actions be consolidated because they all involve a mortgage priority dispute that presents common questions of law and fact and arises out of similar transactions. LCF Funding is one of the parties claiming priority.

Lakeland requests that the cases be consolidated before the Honorable Ann Alton. Lakeland is the subject of a receivership action pending in Hennepin County District Court before Judge Alton. *Bank of Scotland, plc vs. Lakeland Construction Finance, LLC*, Court File No. 27-CV-08-22657 (Hennepin County Dist Ct.). Judge Alton has issued an order staying all litigation and collection efforts against Lakeland or Lakeland's assets,

*see id.* (order filed Nov. 6, 2008), and an order confirming that the stay applies to “[a]ll actions, proceedings, and other collection efforts by any and all creditors or parties, involving any interest of Lakeland Construction Finance, LLC, including security of any kind derived from Lakeland mortgages,” *id.* (order filed February 24, 2009).

LCF Funding appears to challenge the applicability of the stay order to its efforts to obtain relief in the mortgage foreclosure actions that are the subject of this motion. LCF Funding opposes the motion to consolidate and, in the alternative, asks that a ruling be deferred until it moves for relief from the stay order.

Several of the other defendants in the mortgage foreclosure actions support the motion for consolidation; many have not taken a position. No party other than LCF Funding has opposed the motion.

In addition to the cases listed in Addendum A, Lakeland asserts that there are two mortgage foreclosure actions pending in Hennepin County District Court that potentially should be consolidated as well, if pending settlements are not finalized.<sup>1</sup> LCF Funding has moved to intervene in these actions. Lakeland further states that additional actions may be filed that involve collateral disputes between Lakeland and LCF Funding and asks that such actions be consolidated automatically, after they are filed in the appropriate counties.

The undersigned concludes, without expressing any opinion on the issues of consolidation, venue, or the scope or applicability of the stay, that these actions involve common questions of law and fact and that assignment to a single judge will eliminate

---

<sup>1</sup> The cases are both titled *Lakeland Construction Finance LLC vs. Dave Reimer Construction, Inc., et al.*, Court File Nos. 27-CV-08-7413 and 27-CV-08-9489.

duplicative litigation in different districts, prevent inconsistent rulings, and conserve the resources of the parties, their counsel and the judiciary. Accordingly, the 16 cases listed in the attached Addendum A are assigned to a single judge.<sup>2</sup> In addition, any cases now pending or brought in the future that involve collateral disputes between Lakeland and LCF Funding, as determined by the judge to whom the 16 cases are assigned, shall also be assigned to that judge under the authority of this order. Any decisions regarding formal consolidation or change of venue of the individual cases for trial or other purposes are left to the discretion of the presiding judge.

Based upon all the files, records, and proceedings herein,

IT IS HEREBY ORDERED THAT:

1. Pursuant to Minn. R. Gen. Prac. 113.03, the Honorable Ann L. Alton, of the Fourth Judicial District, having consented, is appointed to hear and decide all matters, including pretrial and trial proceedings, in the cases listed in the attached Addendum A, and any additional cases now pending or brought in the future that Judge Alton determines involve collateral disputes between Lakeland and LCF Funding and should be included in this assignment. In her discretion, Judge Alton may return any, or all, of the cases subject to this order to their respective judicial districts for reassignment for trial or other proceedings.

---

<sup>2</sup> In an order filed July 18, 2008, Case No. 08-1056, the undersigned assigned six mortgage foreclosure actions initiated by Lakeland in different judicial districts to the Hon. Mary Steenson DuFresne of the Fourth Judicial District. (Cases listed in Addendum B.) Lakeland has not mentioned these actions in its moving papers; nor has LCF Funding in its response. These actions may not be subject to any dispute between Lakeland and LCF Funding. If any of the actions subject to the July 18, 2008 order remain pending, Judges Alton and DuFresne, in consultation with the Chief Judge of the Fourth Judicial District, may transfer those actions to Judge Alton as well, if appropriate.

2. To facilitate the identification and management of the cases subject of this assignment, all documents served and filed from the date of this order shall, in addition to the individual case caption, bear the general case caption "In re Mortgage Foreclosure Litigation Involving Lakeland Construction Finance, LLC, and LCF Funding I, LLC."

3. The Clerk of Appellate Courts shall mail a copy of this order to Judge Alton, the chief judges and district administrators of the affected judicial districts, the court administrators for the district courts in which the individual actions listed in Addendum A are venued, and the parties who have appeared for this motion. Within seven days of receipt of this order, Lakeland shall serve a copy of this order by first class mail on all other parties to affected actions for whom it has a mailing address.

Dated: March 24, 2009

/s/

Eric J. Magnuson  
Chief Justice

## **ADDENDUM A**

*Lakeland Construction Finance, LLC v. Marick Development, Inc., et al.*  
Sixth Judicial District  
St. Louis County District Court  
Court File No. 69DU-CV-08-3360

*Lakeland Finance Construction, LLC v. Viking Development Group, Inc., et al.*  
Seventh Judicial District  
Benton County District Court  
Court File No. 05-CV-08-2354

*LCF Funding I, LLC v. Viking Development Group, Inc., et al.*  
Seventh Judicial District  
Benton County District Court  
Court File No. 05-CV-08-2584

*LCF Funding I, LLC v. 10-24 Investments, LLC, et al.*  
Seventh Judicial District  
Mille Lacs County District Court  
Court File No. 48-CV-08-3128

*Lakeland Construction Finance, LLC v. Heid Construction, Inc., et al.*  
Seventh Judicial District  
Stearns County District Court  
Court File No. 73-CV-08-11744

*LCF Funding I, LLC v. Viking Development Group, Inc., et al.*  
Seventh Judicial District  
Stearns County District Court  
Court File No. 73-CV-08-11547

*LCF Funding I, LLC v. Viking Development Group, Inc., et al.*  
Seventh Judicial District  
Stearns County District Court  
Court File No. 73-CV-08-13410

*LCF Funding I, LLC v. Viking Development Group, Inc., et al.*  
Seventh Judicial District  
Stearns County District Court  
Court File No. 73-CV-08-13169



*LCF Funding I, LLC v. Triple AAA Contracting and Land Development, LLC, et al.*  
Eighth Judicial District  
Meeker County District Court  
Court File No. 47-CV-08-1274

*LCF Funding I, LLC v. RP&P Partnership, et al.*  
Ninth Judicial District  
Crow Wing County District Court  
Court File No. 18-CV-08-6283

*LCF Funding I, LLC v. Marick Development, Inc., et al.*  
Ninth Judicial District  
Crow Wing County District Court  
Court File No. 18-CV-08-7748

*LCF Funding I, LLC v. Integra Homes, Inc., et al.*  
Tenth Judicial District  
Chisago County District Court  
Court File No. 13-CV-08-1080

*LCF Funding I, LLC v. Paul Belkholm, et al.*  
Tenth Judicial District  
Kanabec County District Court  
Court File No. 33-CV-09-14

*LCF Funding I, LLC v. Novak Construction, Inc., et al.*  
Tenth Judicial District  
Sherburne County District Court  
Court File No. 71-CV-09-65

*LCF Funding I, LLC v. Creative Real Estate Services, Inc., et al.*  
Tenth Judicial District  
Wright County District Court  
Court File No. 86-CV-08-8953

*Lakeland Construction Finance, LLC v. Creative Real Estate Development Corp., et al.*  
Tenth Judicial District  
Wright County District Court  
Court File No. 86-CV-08-9472

## **ADDENDUM B**

*Lakeland Construction Finance, LLC v. Floyd Calhoun Development—  
Minnetonka Highlands LLC, et al.*

Court File No. 27-CV-08-13592

*Lakeland Construction Finance, LLC v. Floyd Calhoun Development—  
The Preserve LLC, et al.*

Court File No. 27-CV-08-13600

*Lakeland Construction Finance, LLC v. Floyd Calhoun Development—  
Larkin Pond LLC, et al.*

Court File No. 27-CV-08-13601

*Lakeland Construction Finance, LLC v. Calhoun Development Rochester Hundred LLC,  
et al.*

Court File No. 55-CV-08-5458

*Lakeland Construction Finance, LLC v. Calhoun Development Rochester Hundred LLC,  
et al.*

Court File No. 55-CV-08-5732

*Lakeland Construction Finance, LLC vs. Floyd Calhoun Development—  
McColl Villas, LLC, et al.*

Court File No. 70-CV-08-12625